

MIAMIBEACH LIGHT RAIL MODERN STREETCAR

Preliminary Funding Plan

Finance Committee
June 6, 2016



Kimley»Horn



Project Background

- 2015 – MPO Beach Corridor Transit Connection Study recommended advancing the project :
 - Miami Beach Light Rail Circulator
 - Miami Light Rail Circulator
 - Causeway Connection
- In December 2015 Miami Beach initiated the environmental review process for the Miami Beach Light Rail Circulator component of the regional program
- Miami Beach received unsolicited proposal to design, build, finance, operate and maintain and an off-wire LRT/streetcar line as a Public Private Partnership (P3) in Miami Beach
 - Miami Beach issued a notice for proposals pursuant to state statute in parallel to the ongoing environmental study
- Expressed desire to move the project in the most advanced process possible – No Federal New Starts Funding



Project Overview

- Preliminary Phase 1/
Phase 2 alignment based
on 2015 Beach Corridor
Transit Connection Study
 - To be refined
- Catenary-free/off-wire
technologies
- Streetcar will operate in
exclusive lanes
- Interoperable with future
extension to Miami





FUNDING NEEDS

- Operating costs
 - Includes Operations, Maintenance and periodic Renewal and Replacement of system components
 - The full “Loop” costs assuming **6 minute headways and extensive operating hours – estimated at \$16 million per year** with annual CPI growth – discussed in more depth at June 7 Workshop
- Capital Costs
 - Estimated at **\$222 million For Phase 1 and \$165.50 million for Phase 2 – Total \$387.5 million (lowest cost Vehicle Storage Operations and Maintenance Facility – estimated about \$30 million more for highest cost Facility)**



Major Funding Assumptions

- Capital Cost assumed as a funding partnership:
 - City existing and new sources – 50%
 - County – 25% (same share as if project were Federally funded)
 - State – 25% (same share as if project were Federally funded)
- Operating Costs will be borne by combination of users and City funding sources:
 - Ridership fares and advertising fees for use of the LRT/Streetcar system – At least 25%
 - Property owners within $\frac{1}{4}$ mile to $\frac{1}{2}$ miles of LRT/Streetcar system – At least 25%
 - City existing and new sources – 50% or less



Major Funding Assumptions (continued)

Public-Private Partnership – Design-Build-Finance-Operate-Maintain Structure – Payments include:

- **Milestone Payments** paid to private “Concessionaire” as the project is designed and constructed based on key deliverables – Expect at more than 50% of capital costs to reduce cost of financing
- **Availability Payments** begin once the LRT/Streetcar system enters revenue operations – open to the public:
 - Paid annually to Concessionaire – tied to performance metrics - if metrics not consistently met the payment may be reduced based on LRT/Streetcar system “Availability”.
 - Includes remainder of capital cost (after Milestone Payments) financed over time at a fixed cost per year.
 - Includes annual cost of Operations, normally indexed to inflation



POTENTIAL FUNDING SOURCES

- Existing City of Miami Beach Funding Options
 - Resort Tax
 - Parking System Revenue
 - Miami Beach Redevelopment Agency Revenues
 - Other Funding Sources Related To Transportation
- Miami-Dade County Potential Funding
 - Transit Surtax Sales Tax
- State Funding Options
 - Florida Department of Transportation(FDOT) Transit Capital Grants
- Potential New Local Funding Options
 - Transit System User Fees
 - Project Revenue Sources: Non-Ad Valorem (Special Assessments)
 - Tax Increment Revenues
 - Other New Revenue Sources

Funding Options - Phase 1 and 2

Item	Funding Option	Screening Criteria								
		Authorized Under Existing Law	Fee vs Tax	Revenue Available After Bonded Debt	Revenue Available After Budget Commitments	LRT/Modern Streetcar Specific			Approvals Required	Time Required to Implement
						Use Based	Geographic Based	Can Potentially be Leveraged for Baylink?		
1-A	Resort Tax - 2%	Yes	Special Tax	Yes	Yes	Indirect	N/A	Yes	Commission	Budget Cycle
1-B	Resort Tax - 1% QL Trans	Yes	Special Tax	Yes	No - Mid-Beach Trolley	Indirect	N/A	Yes	Commission	Budget Cycle
1-C	Resort Tax - 1% QL SB	Yes	Special Tax	Yes	Yes	Indirect	N/A	Yes	Commission	Budget Cycle
2	Parking System Revenue	Yes	Fee	Yes	Yes, limited	Direct and Indirect	N/A	Yes	Commission	Budget Cycle
3-A	7th Street Garage	Yes	Fee	Yes	Very Limited	Direct and Indirect	Yes	Yes	Commission	Budget Cycle
3-B	Anchor/Penn/Collins Parking Garages	Yes	Fee	Yes	Yes	Direct	Yes	Yes	Commission	Budget Cycle
4	Fees in Lieu of Parking	Yes	Fee	Yes	Very Limited	Direct and Indirect	Yes	Yes	Commission	Budget Cycle
5-A	Miami Beach CRA - City Center	Yes	Tax Increment	Yes	Yes (2)	Direct	Yes	Yes	City/County Commissions	Time to Mod Agreement
5-B	Miami Beach - City Center - Other	Yes	Tax Increment	Yes	Yes	Direct	Yes	Yes	Commission	Budget Cycle
6-A	Miami Beach CRA -New CRA (3)	Yes	Tax Increment	Yes	Yes	Direct	Yes	Yes	City/County Commissions	18 months
6-B	Tax Increment - Dedicated Millage (3)	Yes	Tax Increment	Yes	Yes	TBD - Pending Analysis (4)	Yes	Yes	Commission	270 days
7	Special Assessments (3)	Yes	Fee	Yes	Yes	TBD - Pending Analysis (5)	Yes	Yes	Commission and Vote	270 days
8	Ridership Fares	Yes	Fee	Yes	Depends on Fare Structure	Direct	System based	Yes	Commission	Commission
9	Advertising	Yes	Fee	Yes	Yes, limited	Direct	System based	Yes	Commission	Commission
10-A	Charter County Transit Sales Tax - County	Yes	Transit Tax	Yes	Yes, limited	Indirect	N/A	Yes	CITT-County Commission	Budget Cycle
10-B	Charter County Transit Sales Tax - City Share	Yes	Transit Tax	Yes	Yes, limited	Indirect	N/A	Yes	Commission	Budget Cycle
11	Transportation Concurrency Management	Yes	Fee	Yes	Yes, limited	Indirect	Yes	Yes	Commission	Budget Cycle
12	Other County Sources for Transportation Uses	Yes	Transportation Taxes	Yes	Very limited	No	N/A	Yes	County Commission	Budget Cycle
13	State Transit Grants	Yes	Transportation Taxes/Fees	Yes	Yes	No	N/A	Yes	FDOT Management	Work Program Cycle (6)
14	Cordon Toll	Yes	User Fee	Yes	Yes	Yes, for roadway	City	Yes	FDOT, FHWA, City	270 days



PROPOSED EXISTING FUNDING SOURCES

Capital appropriations on existing funding sources will be presented as part of the prioritization of capital projects – these are one time amounts:

	<u>(in \$millions)</u>
• Resort Tax 2%:	10
• City Center Parking Garages Surplus Funds*	13
• City Center RDA Other Non-Tax Increment Funds*	8
• Transportation Concurrency Management Funds	<u>5</u>
Total	<u>\$36</u>

* These funds must be used for portions of the project within the City Center RDA



PROPOSED EXISTING FUNDING SOURCES

Operating appropriations on existing funding sources will be presented as part of the prioritization of operating funds – these are annual recurring amounts:

	<u>(in \$millions)</u>
• Resort Tax 2%:	1.5
• Resort Tax 1% Quality of Life – South Beach:	1.0
• City Share of County Transit Surtax Sales Tax	<u>3.0</u>
Total	<u>\$5.5</u>



Operating Funding Sources

Annual operating funding sources considered, but **not availability** for the project:

- Resort Tax – 1% - This 1% Quality of Life Funds not recommended for use for the project (Mid Beach, North Beach, Art, and Transportation).
- Parking System - Does not have funds available - currently subsidizing both the General Fund and Transportation Fund with prior year surplus and there are needs for several new parking garages.
- Transportation Fund – Not adequate funds from existing sources, needs subsidy for needs.
- City Center RDA – Funds not available until the bonds are paid off, estimated at 2030.



LRT/Streetcar User/Access Fees

These are assumed as annual recurring amounts that begin when the LRT/Streetcar System opens to the public:

	<u>(in \$millions)</u>
• Ridership Fares:	4.0*
• Advertising Fees:	1.0
• Property owners within ¼ to ½ mile of Transit Line	<u>5.0^</u>
Total	<u>\$10.0</u>

* These are estimates subject to further analysis and final rate setting by the City and approval by the County to be consistent with the County transit fare structures.

^ Subject to rate setting by the City and approval by property owners to be assessed the fee.



Miami Beach Alignment



Source: Government Services Group, Inc. (May, 2016)



Special Assessment Fee - \$5M

Table 1

**No Zones, Category Apportionment by Trip Generation (3 categories)
(Separate for Residential, Rental Residential and Non-Residential)**

Assessment Area	1/4 Mile from Alignment		1/2 Mile from Alignment	
Annual Assessment Amount	\$5,000,000		\$5,000,000	
	Rate/Sq Ft	Rate/1000 Sq Ft	Rate/Sq Ft	Rate/1000 Sq Ft
Residential	\$0.07	\$70.00	\$0.06	\$60.00
Rental Residential	\$0.12	\$120.00	\$0.11	\$110.00
Non-Residential	\$0.33	\$330.00	\$0.30	\$300.00

Table 2

**No Zones, Category Apportionment by Trip Generation (2 categories)
(Separate for Rental Residential and Non-Residential)**

Assessment Area	1/4 Mile from Alignment		1/2 Mile from Alignment	
Annual Assessment Amount	\$5,000,000		\$5,000,000	
	Rate/Sq Ft	Rate/1000 Sq Ft	Rate/Sq Ft	Rate/1000 Sq Ft
Rental Residential	\$0.16	\$160.00	\$0.15	\$150.00
Non-Residential	\$0.45	\$450.00	\$0.42	\$420.00

Table 3

**Two Zones and Category Apportionment by Trip Generation
(Separate for Residential, Rental Residential and Non-Residential)**

Assessment Area	1/4 Mile from Alignment		1/2 Mile from Alignment excluding 1/4 Mile	
Annual Assessment Amount	\$4,506,491		\$493,509	
	Rate/Sq Ft	Rate/1000 Sq Ft	Rate/Sq Ft	Rate/1000 Sq Ft
Residential	\$0.07	\$70.00	\$0.04	\$40.00
Rental Residential	\$0.11	\$110.00	\$0.09	\$90.00
Non-Residential	\$0.30	\$300.00	\$0.25	\$250.00

Table 4

**Two Zones and Category Apportionment by Trip Generation
(Separate for Rental Residential and Non-Residential)**

Assessment Area	1/4 Mile from Alignment		1/2 Mile from Alignment excluding 1/4 Mile	
Annual Assessment Amount	\$4,749,493		\$250,507	
	Rate/Sq Ft	Rate/1000 Sq Ft	Rate/Sq Ft	Rate/1000 Sq Ft
Rental Residential	\$0.15	\$150.00	\$0.12	\$120.00
Non-Residential	\$0.42	\$420.00	\$0.35	\$350.00

Miami Beach Light Rail/Modern Streetcar Project

Funding Options - Phase 1 and 2

Version 6.1

5/24/2016

Item	Funding Option	Screening Criteria			Preliminary Assumed Funding Contributions		
		Authorized Under Existing Law	Approvals Required	Time Required to Implement	(\$ Millions)		O&M CPI or Capital Fixed in AP
					Capital Milestone Payment	Availability Payment	
1-A	Resort Tax - 2%	Yes	Commission	Budget Cycle	\$ 10.00	\$ 1.50	\$10M Fixed Capital, \$1.5M ?
1-C	Resort Tax - 1% QL SB	Yes	Commission	Budget Cycle	\$ -	\$ 1.00	?
3-B	Anchor/Penn/Collins Parking Garages	Yes	Commission	Budget Cycle	\$ 13.00		Fixed Capital
5-B	Miami Beach - City Center - Other	Yes	Commission	Budget Cycle	\$ 8.00	\$ -	Fixed Capital
6-B	Tax Increment - Dedicated Millage (3)	Yes	Commission	270 days	\$ -		
7	Special Assessments (3)	Yes	Commission and Vote	270 days	\$ -	\$ 5.00	?
8	Ridership Fares	Yes	Commission	Commission	\$ -	\$ 4.00	CPI
9	Advertising	Yes	Commission	Commission	\$ -	\$ 1.00	CPI
10-A	Charter County Transit Sales Tax - County	Yes	CITT-County Commission	Budget Cycle	\$ 96.88	\$ -	Fixed Capital
10-B	Charter County Transit Sales Tax - City Share	Yes	Commission	Budget Cycle		\$ 3.00	?
11	Transportation Concurrency Management	Yes	Commission	Budget Cycle	\$ 5.00	\$ -	Fixed Capital
13	State Transit Grants	Yes	FDOT Management	Work Program Cycle (6)	\$ 96.88	\$ -	Fixed Capital
					Capital Costs	\$ 387.50	\$16.00 Operating Costs
					Milestone Pmts	\$ 229.75	\$ 15.50 Annual Pmts
					Avail Pmt Funded	\$ -	\$0.50 Annual Remaining
					Capital Remaining	\$ 157.75	

Legend

Best Option

Minor Challenge

Major Challenge



Summary of Remaining Amount

- \$157.75 million for Capital can be one time or equals about \$12.3 million recurring annually.
- Added to the remaining \$.05 million for Operating this totals about \$12.8 million recurring annually.
- Research has been conducted on options for new revenue with the primary focus on those that are users of transportation
- An option could include user fees or general tax sources as these are both commonly used for transit projects



Options for Remaining Funds

User Fees

- Special Assessment Fee – Consider up to an additional \$5 million per year – Could have a portion of “Tax Increment” buy down Special Assessment Fee over time in the future.
- Tolling – challenge of ownership of roadways and also the approval processes involved for tolling and use of funds:
 - Optional request to transfer select roadways to City for long-term ownership – simplifies approval process for tolling and overall management of roadways
 - Federal process for tolling as all major roads on Miami Beach are classified as “Federal aid roadways” – use of funds must be on Federally eligible projects



Special Assessment Fees - \$10M

Table 1

No Zones, Category Apportionment by Trip Generation (3 categories)
(Separate for Residential, Rental Residential and Non-Residential)

Assessment Area	1/4 Mile from Alignment		1/2 Mile from Alignment	
Annual Assessment Amount	\$10,000,000		\$10,000,000	
	Rate/Sq Ft	Rate/1000 Sq Ft	Rate/Sq Ft	Rate/1000 Sq Ft
Residential	\$0.14	\$140.00	\$0.11	\$110.00
Rental Residential	\$0.23	\$230.00	\$0.22	\$220.00
Non-Residential	\$0.65	\$650.00	\$0.59	\$590.00

Table 2

No Zones, Category Apportionment by Trip Generation (2 categories)
(Separate for Rental Residential and Non-Residential)

Assessment Area	1/4 Mile from Alignment		1/2 Mile from Alignment	
Annual Assessment Amount	\$10,000,000		\$10,000,000	
	Rate/Sq Ft	Rate/1000 Sq Ft	Rate/Sq Ft	Rate/1000 Sq Ft
Rental Residential	\$0.31	\$310.00	\$0.30	\$300.00
Non-Residential	\$0.89	\$890.00	\$0.83	\$830.00

Table 3

Two Zones and Category Apportionment by Trip Generation
(Separate for Residential, Rental Residential and Non-Residential)

Assessment Area	1/4 Mile from Alignment		1/2 Mile from Alignment excluding 1/4 Mile	
Annual Assessment Amount	\$9,012,981		\$987,019	
	Rate/Sq Ft	Rate/1000 Sq Ft	Rate/Sq Ft	Rate/1000 Sq Ft
Residential	\$0.13	\$130.00	\$0.08	\$80.00
Rental Residential	\$0.21	\$210.00	\$0.17	\$170.00
Non-Residential	\$0.59	\$590.00	\$0.49	\$490.00

Table 4

Two Zones and Category Apportionment by Trip Generation
(Separate for Rental Residential and Non-Residential)

Assessment Area	1/4 Mile from Alignment		1/2 Mile from Alignment excluding 1/4 Mile	
Annual Assessment Amount	\$9,498,987		\$501,013	
	Rate/Sq Ft	Rate/1000 Sq Ft	Rate/Sq Ft	Rate/1000 Sq Ft
Rental Residential	\$0.30	\$300.00	\$0.23	\$230.00
Non-Residential	\$0.84	\$840.00	\$0.70	\$700.00



Tolling Examples

- “Cordon Toll” – at major roadways that provide access to Miami Beach – similar toll examples for Island access:
 - Venetian Causeway tolls are \$1.75 SunPass and \$2.25 for Toll By Plate for autos, more for multi-axle vehicles at \$4.45 for five axle vehicles (SunPass); Annual Commuter Pass (employed on Venetian Causeway) - \$90, Annual Property Owners Pass - \$0.
 - Rickenbacker tolls are \$1.75 SunPass and \$2.25 for Toll By Plate for autos, more for multi-axle vehicles such as \$15.75 for five axles vehicles (SunPass); Annual Commuter Pass (employed or attend school on Key Biscayne) - \$60 per vehicle, Annual Resident Pass - \$24 per vehicle.



Tolling Approach

- If approved - Tolling Approach could be similar to Key Biscayne and Venetian Causeways:
 - All electronic tolls – no stopping to pay tolls
 - SunPass Rate – full toll (\$1.75 similar to other tolls)
 - Toll By Plate Rate (\$2.25 similar to other tolls)
 - Commuter Pass – for employees that work and those that attend school on Miami Beach – such as \$120 a year annual pass (would cover all access for a year on up to five or six key roadways)
 - Resident Pass – For those that rent or own property that is occupied for at least six months during the year – such as \$60 a year annual pass (would cover all access for a year on up to five or six key roadways)



Sample Toll Locations

1. Harding (A1A) South Bound at 88th Street

2. Normandy Drive East Bound at Indian River Drive

3. Alton Road North Bound at I-195 Off-Ramp

4. Arthur Godfrey Road East Bound just east of Alton Road

5. Alton Road South Bound at I-195 Off-Ramp

6. Alton Road North Bound Overpass just north of 5th Street

7. 5th Street East Bound just east of MacArthur Causeway



Data SIO, NOAA, U.S. Navy, NGA, GEBCO
Gray Buildings © 2008 Sanborn



If User Fees are Not Feasible

Last resort could use general tax sources:

- Further evaluation of existing revenue sources:
 - Impact City priorities and level of service
 - Could redirect City Center CRA tax increment to Project when CRA is closed out – estimated about \$9 million per year in 2030 and beyond.
- Increase general tax sources such as property taxes
 - Millage to generate \$13 million per year would be .436 mills, a 7.5 percent increase in current City millage rate.
 - If City Center CRA tax increment is available for the Project after the CRA period ends (when the bonds are paid off) could reduce need to \$7 million per year, or .23 mills, a 4% increase in current City millage rate



City Resiliency Program

- The City of Miami Beach has adopted a Resiliency Program
- Various projects are active under the Resiliency Program
- LRT/Modern Streetcar P3 geographic area will fall within the Resiliency Program parameters
- The funding for the Resiliency Program is being addressed separately, but the improvements for this geographic area are generally in the out years of the program
- Concessionaire will be responsible for upgrading streets to meet the Program requirements which will require the funding timelines to be advanced





City Resiliency Program

Improvements associated with LRT/Modern Streetcar Project

Estimated Need - \$25 million

- Infrastructure improvements
 - Drainage pipes
 - Pump stations
- Reconstruction of the road
 - Elevating the surface
 - Streetscape
- Build a protected light rail corridor
 - Reinforce underground utilities



City Resiliency Program Funding Plan associated with LRT/Modern Streetcar Project

Proposed funding sources:

- \$14 million from stormwater fees – 2nd tranche of Stormwater Bonds
- \$11 million from 2014 County CDT Agreement Funds – FY 17 receipts

Total Sources - \$25 million



DISCUSSION